

**OKLAHOMA HOUSING FINANCE AGENCY
HOME DEPARTMENT**

Chapter 11	
	Reference: 24 CFR, Part 92.251
Subject: Work Write-Ups and Cost Estimates	

General Requirements

In accordance with 24 CFR 92.251, housing that is assisted with HOME funds, at a minimum, must meet State or local property standards and the written rehabilitation standards established below and delineated in the Oklahoma HOME Program Rehabilitation Performance Manual.

All HOME-assisted new construction and rehabilitation units, regardless of the amount of HOME funds invested per unit, must meet the following construction codes, as amended:

- IRC (International Residential Code for One- and Two-Family Dwellings) latest edition
- IBC (International Building Code) latest edition
- ICC (International Electrical Code)
- International Mechanical Code
- International Plumbing Code
- International Energy Conservation Code
- Manufactured Home Construction and Safety Standard – 24 CFR 3280

Note:

- ❖ While not a construction code, the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 also require specific design characteristics relating to handicapped accessibility. These specific design characteristics must be in place prior to lease up. (See Chapter 24)

- ❖ For Homebuyer Acquisition Only – Must meet all applicable State and local housing quality standards and code requirements. If there are no such standards or code requirements, the housing must meet the Uniform Physical Condition Standards (UPCS)

- ❖ For Homebuyer Acquisition with Rehabilitation – Must meet all applicable State and local housing quality standards and code requirements. Must also provide work write-up, cost estimate, contractor information, inspections and final inspection. If rehabilitation is to occur after transfer of

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ownership, housing must be free from all noted health and safety defects before occupancy and not later than six (6) months after the transfer. The housing must meet the property standards noted above not later than two (2) years after transfer of the ownership interest.

Procedures

↳ Work Write-Up

{ The work write-up is a written document which lists all the elements necessary to completely, concisely and clearly describe what must be done to a structure to rehabilitate it in conformance with the program standards. OHFA must approve written cost estimates & determine that costs are reasonable.

{ OHFA Contractors must prepare the work write-up. A construction or rehabilitation firm that will bid or perform the construction/rehabilitation can not prepare the work write-up. The work write-up must provide the following:

⇒ A line-by-line description of the task to be performed. Details include but are not limited to the specific number of units replaced or repaired (i.e. lineal feet, square yards), material specifications, performance requirements, and other special instructions necessary to complete the task to specifications. For rental housing, need estimate (based on age and condition) the remaining useful life of the major systems upon completion. For rental housing of 26 units or more, must determine the useful life of major systems through a capital needs assessment. For homeownership housing, each of the major systems is to have a remaining useful life for a minimum of 5 years or must be rehabilitated or replaced as part of the rehabilitation work. Include drawings when needed.

⇒ The work write-up must be signed and dated by the preparer.

- ⇒ Must not include luxury items (swimming pools, saunas, gold bath fixtures, marble countertops, pool tables, etc.).
- ⇒ May include additions or alterations to the existing structure.
- ⇒ Will include a determination of project feasibility. If a house is determined not structurally feasible, then a house can be reconstructed on the same lot, provided the homeowner is willing to reconstruct. Reconstruction projects must also meet applicable program requirements.
- ⇒ The work write-up becomes a part of the rehabilitation contract.
- ⇒ Any necessary change orders become a part of the work write-up and, therefore, a part of the rehabilitation contract.

Cost Estimate

The cost estimate is a compilation of line item costs for materials, equipment, contractor labor, profit, and overhead, which the OHFA Awardee will use as a standard for comparing construction firm prices. It represents the most reasonable, allowable, financial limits for the rehabilitation/reconstruction of a property. A qualified person (someone with a working knowledge of the construction trades) must prepare the cost estimate and that estimate must be maintained in the project file.

↳ The cost estimate:

- { Is a companion to the work write-up document;
- { Is an internal document and **will never be given or shown to the rehabilitation or construction firm;**
- { Must be signed and dated by the person preparing the cost estimate;

- { Is a basis for approving or disapproving a contractor's bid;
- { Allows for a 10% deviation as the basis for judging the acceptability of a contractor's bid;
- { Is calculated on a line-by-line basis. Line item costs are used as a basis for calculation if change orders are needed; and,
- { Determines project feasibility.

Performance Manual

All Contractors and subcontractors bidding upon work must thoroughly familiarize themselves with the material standards and methods of construction contained in the Performance Manual. All individual job work write-ups must refer to and incorporate these standards.

- { The purpose of the performance manual is to provide and make a part of each contract, subcontract, contract bid, and contract proposal certain minimum standards of quality of workmanship and materials expected and required. It is intended that these minimum standards shall prevail except when in conflict with or are less stringent than city, county, state, or federal regulations or codes. The Performance Manual will be a part of the work write-up and part of the rehabilitation contract.

Additional Resources:

- HOMEfires Vol. 7, No. 2 – Guidance on Property Standards When HOME Funds are used for Rehabilitation
- Minimum Standards for Rehabilitation
- New Construction – Multi-Family Housing Minimum Design Standards